



National Asset Management Agency

PRESS STATEMENT - 3 January 2019

NAMA has today issued an end-of-year summary of progress made in 2018, and since its inception, on a number of its key objectives and targets. Highlights include the following:

- *The Agency generated **€3.3 billion in cash in 2018**. Since inception, NAMA has generated cash of **€44 billion** from its operations.*
- *NAMA continues to expect, based on prevailing market conditions, to return a **surplus of €3.5 billion** to the Exchequer by the time it completes its work.*
- *NAMA's **Residential Delivery funding** programme has continued to deliver new homes in Ireland throughout 2018. It is estimated that **9,700 units have been delivered** through NAMA funding between 2014 and end-2018. An additional **3,000 units are currently under construction or have had funding approved** for construction. Planning permission has been granted for a further 6,400 units on sites secured to NAMA.*
- *Major progress has been made on sites within the **Dublin Docklands SDZ** area with delivery strategies currently being implemented on **100% of the 15 sites** in which NAMA originally had an interest. The SDZ area is twice the size of the original IFSC. Through NAMA initiatives, **construction is complete on almost 1m square feet of commercial space** and construction is underway on an additional **1.66m square feet of commercial** space on formerly derelict sites in the Dublin Docklands area.*
- ***2,475 social housing units** have been delivered by NAMA to end-2018, excluding those provided under Part V arrangements.*

CASH GENERATION AND PROFIT

NAMA continued to generate cash from its portfolio management and disposal activities in 2018. **€3.3 billion in cash was generated by NAMA in 2018.** A total of €44 billion has been generated since inception – primarily from asset and loan sales as well as rental receipts from properties controlled by NAMA's debtors and receivers.

Profit for the first half of 2018 showed a **year-on-year increase** of 44% (H1 2018: €281m vs H1 2017: €195m) notwithstanding the reduced size of NAMA's loan portfolio.

DEBT REDEMPTION AND PROJECTED SURPLUS

Following the final repayment of its €30.2 billion senior guaranteed debt in 2017, NAMA commenced the redemption of its €1.6 billion subordinated debt in April 2018. To end-2018, **NAMA has redeemed more than €500m** of this subordinated debt. NAMA expects that the remaining €1.06 billion will be redeemed, at latest, by the March 2020 first call date.

Subject to prevailing market conditions and the effective management of its remaining portfolio of assets – projected end-2018 carrying value of €2.3 billion – NAMA expects to deliver a **surplus of the order of €3.5 billion** by the time it completes its work in 2020 or 2021.

RESIDENTIAL DELIVERY

Subject to commercial viability, NAMA has the capacity to fund or otherwise facilitate the delivery of 20,000 residential units on sites in its secured portfolio by end-2020. It is estimated that **9,700 units have been delivered** between 2014 and end-2018 through NAMA funding.

Construction has begun, or is approved to commence, on sites which will ultimately deliver a further **3,000 units**. An additional **6,400 units have received planning permission**. Planning applications have been lodged or are currently being prepared for another 4,100 units.

In addition to NAMA's programme of direct delivery, it is estimated that over **3,400 units** have been delivered on sites for which NAMA had funded planning permission, legal costs, holding costs or enabling works but with which NAMA is

no longer involved. **NAMA has thereby facilitated total delivery of 13,100 units either directly or indirectly.**

DUBLIN DOCKLANDS SDZ

A key priority for NAMA is to facilitate the timely delivery of Grade A office, retail and residential space within the Dublin Docklands' area, and this objective has largely been achieved. Since the SDZ plan was approved by An Bord Pleanála in 2014, NAMA, through its receivers and investment partners, has **devised and implemented development strategies on all sites** in which it originally had an interest, thus transforming many derelict sites in the North and South Docks.

These sites have the capacity to deliver 4.2m square feet of commercial space and 2,200 residential units in the Docklands area. As of end-2018, NAMA retains an interest in just over half of the original area that was under the control of its receivers.

Progress highlights to date include:

- Construction is **complete on 983,000 square feet** of commercial space and **162 residential units**, as well as a new road linking the North Docks and Sheriff Street;
- Construction is **in progress on 1.66m square feet** of commercial space and **444 residential units**;
- Sites with capacity to deliver 1.5m square feet of commercial space and 1,577 residential units have been sold or are at the 'sale agreed' stage.

SOCIAL HOUSING

Since 2012, NAMA has delivered **2,475 houses and apartments** for social housing, providing homes for an estimated **8,000 people**. This is in addition to social housing provided under Part V arrangements on NAMA-funded residential developments.

NAMA has established a special vehicle, NARPS, to purchase suitable units for onward leasing to local authorities and approved housing bodies. Additionally, NAMA provides whatever funding is required in order to ready housing units for

residence. To date, **NAMA has invested** approximately **€350 million** in remediating, completing and purchasing properties for social housing use.

Many social housing units remediated using funding from NAMA are situated in former unfinished housing estates. NAMA has **completed the task of putting resolution strategies in place for all unfinished estates** that remain in its portfolio. The total number of unfinished estates in the portfolio has reduced from 335 in 2010 to four at end-2018. Of these four estates, remediation works have already commenced in respect of two.

Brendan McDonagh, Chief Executive, commented:

*"NAMA had another very successful year in 2018. We **exceeded** our deleveraging targets, **generated €3.3 billion in cash**, funded the completion of 2,500 residential units and delivered a substantial profit. We also facilitated further major progress in the development of the Dublin Docklands SDZ while achieving significant benefits for the State in further de-risking taxpayers' exposure to the cost of developing the area."*

Frank Daly, Chairman, commented:

"At the end of 2018 it is salutary to recall the difficulties our country faced nine years ago when NAMA started its work at the end of 2009. The country has recovered significantly in the intervening period and it is encouraging for all who work in NAMA to recognise that, with many others, we played a real part in that recovery."